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GROUP 3600

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Paper No. 16

Application Number: 09/653,735
Filing Date: September 01, 2000
Appellant(s): SUHY, ANDREW F.

Michael B. Stewart, Reg. No. 36,018, Charles A. Bieneman, Reg. No. 51,472
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 17 February 2004.

(1) Real Party in Interest

A statement identifying the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

(6) *Issues*

The appellant's statement of the issues in the brief is correct.

(7) *Grouping of Claims*

Appellant's brief includes a statement that claims 1, 12-14 and 23, claim 18, claim 7, claim 24, claim 21, claims 2 and 15, claims 3 and 16, claims 4 and 17, claim 19, claim 22, claims 5-6, and claims 8-20 do not stand or fall together and provides reasons as set forth in 37 CFR 1.192(c)(7) and (c)(8).

(8) *ClaimsAppealed*

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) Prior Art of Record

5,875,430	KOETHER	2-1999
6,230,081	ALBERTSHOFFER	5-2001
6,003,808	NGUYEN et al.	12-1999

(10) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Status of Claims

Claims 1-8 and 12-24 have been examined.

Response to Amendments

Regarding surcharges, the Applicant has not specifically stated why the noticed fact is not considered to be common knowledge or well-known in the art. On the contrary, by Applicant's own admission, surcharges are well known (paper no. 8, page 11) and the mere appliance of a surcharge will not distinguish the clear teachings of the prior art from the Applicant's claimed system and method. Webster's Ninth Collegiate Dictionary defines a surcharge as an "overcharge", "extra fee", "an additional tax, cost or impost", hence to apply a surcharge is at least an obvious method of increasing revenues on the part of the

party applying the surcharge. Similarly, Webster's Ninth Collegiate Dictionary defines a "rate" as "a quantity, amount, or degree of something measured per unit of something else" or "an amount of payment or charge based on another amount". Therefore, it would have been obvious to calculate a rate based on any quantity, amount, or degree of something within the scope of knowledge and understanding of one of ordinary skill in the appropriate art, such as owners of equipment who also maintain the equipment that they lease to others.

Albertshofer teach lease pricing derived from equipment usage (column 6, lines 23-27), hence, it necessarily teaches a variable "lease rate", as the lease price is a function of a variable (i.e. equipment usage). Also, claims 2-4, 15-17, 19, 21 and 22 ("if said operating characteristic...", "when said utilization...", "if measurement...") recite conditional limitations. Therefore, in order to reject said limitations, the Examiner need only consider the alternative.

The claims have been adjusted to reflect amendments to the claims. No new art has been applied.

Claim Rejections - 35 USC § 103

Claims 1-7 and 12-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Koether, U.S. Patent No. 5,875,430 in view of Albertshofer, U.S. Patent No. 6,230,081.

As per claims 1-7 and 12-24, Koether teaches a system for gathering and analyzing data regarding an asset comprising:

- a local controller, analysis controller, electronic communications network, and a sub-system that analyzes at least one operating characteristic of the asset (figures 1-3 and 7A-8)
- monitoring a plurality of characteristics over a fixed period of time (figure 7A; column/line 8/48-9/3; column 9, lines 28-34)
- receiving operating characteristics adjusted by maintenance information to provide an overall asset utilization (column/line 8/48-9/44)
- asset user, asset owner, and asset supplier or maintenance organization (figure 8; column 10, lines 30-45)
- assets are limited in motion to a pre-determined geographic region (column 4, lines 22-36)

Regarding surcharges (claims 2-4), the Examiner takes Official Notice that surcharges and the appliance of surcharges are old and well-known to those of ordinary skill in the art. Koether also teaches transmitting data (figures 1-3). Therefore, it would have been obvious to transfer data by any means (e.g. real-time, "almost" real time, batch, sequentially, push, pull) in order to implement corporate policy and produce a desired result. However, Koether doesn't

explicitly recite determining a lease rate. Albertshofer teaches an asset usage monitoring system that monitors asset performance (e.g. plurality of characteristics over a fixed period of time, maintenance information) to determine a leasing rate (column 1, lines 55-61; column 2, lines 36-44; column 3, lines 31-39; column 4, lines 10-26; column 6, lines 23-27 and 40-50) and assets that are limited in motion to a pre-determined geographic region (figure 1; column 4, lines 30-37). Further, Webster's Ninth Collegiate Dictionary defines a "rate" as "a quantity, amount, or degree of something measured per unit of something else" or "an amount of payment or charge based on another amount". Therefore, it would have been obvious to calculate a rate based on any quantity, amount, or degree of something within the scope of knowledge and understanding of one of ordinary skill in the appropriate art, such as owners of equipment who also maintain the equipment that they lease to others. Therefore, it would have been obvious to one of ordinary skill to combine the systems of Koether and Albertshofer in order to accurately determine fees for the rental or leasing of capital equipment.

Claim 8 is rejected under 35 U.S.C. 103(a) as being unpatentable over Koether, U.S. Patent No. 5,875,430 and Albertshofer, U.S. Patent No. 6,230,081 as applied to claim 1 above, and further in view of Nguyen et al., U.S. Patent No. 6,003,808.

As per claim 8, Koether (figures 1-3 and 7A-8) teaches a system for monitoring the performance of an asset and Albertshofer (column 4, lines 10-26; column 6, lines 23-27 and 40-50) teaches deriving lease rate information based asset usage. However, neither reference explicitly recites analyzing maintenance information to evaluate a relationship based on maintenance performance. Nguyen et al. teach a maintenance and warranty control system that includes analyzing maintenance information to evaluate a relationship based on maintenance performance (column/line 4/32-5/15). Therefore, it would have been obvious to one of ordinary skill to combine the teachings of Koether, Albertshofer and Nguyen et al. in ordinary to validate warranty claims and/or allow an asset owner to determine whether to recall, or re-engineer a product based on, for example, the number of warranty claims.

(11) Response to Argument

Initially, to support the Appellant's rationale for the claims being in condition for allowance, the Appellant makes sweeping generalization to the shortcomings of the Examiner's rejection (Brief on Appeal, page 7, VIII). Specifically, the Appellant states that the Examiner ignored the Appellant's request for support for Official Notice and that the Examiner has not provided a reason for combining the cited prior art. Regarding the Official Notice, the MPEP clearly states,

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art.¹ A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate (MPEP § 2144.03)

In response to the Examiner's Official Notice, the Appellant merely states that the "[Appellant] is not aware of any prior art wherein the lease rate includes a surcharge", hence in light of the MPEP guidelines, the Examiner clearly denoted that the Official Notice was valid (paper no. 9, "Response to Amendments"- reprinted above). Regarding the lack of motivation to combine, in each instance the Examiner has provided such a motivation. The Appellant's "Introduction" is merely a series of red herrings. For example, the Appellant asserts that the rejections against Appellant's claims are not supported by the prior art. However, the Examiner's succinctness should not be confused with lack of substance and the Examiner's rejection addresses each limitation. The Appellant also claims that the Examiner took an Official Notice in order to support a reason for combining the prior art (Brief on Appeal, page 8, lines 25-31). To the contrary, it has been held that a reference is to be considered not for what it expressly states, but for what it would reasonably have suggested to one of ordinary skill of the art (*In re Delisle*, 160USPQ 806 (CCPA 1969)).

Group A

The Appellant is of the opinion that the prior art of Albertshofer does not teach a definition of "rate" that coincides with the Appellant's, however, the Appellant's has not made clear what this definition is beyond the lease rate being a variable. The lease rate of Albertshofer is a variable as it depends on usage ('081, column 4, lines 19-23; column 6, lines 23-28) or a "varying" rate (Appellant's definition) (e.g. cheaper on weekends) (column 4, lines 62-67; column 6, lines 17-23). Nonetheless, the Examiner's reliance on a Dictionary definition is valid as it has been held that in order to construe a disputed claim term it is appropriate to seek out relevant dictionary definitions (E-Pass Technologies Inc. v. 3Com Corp., 67 USPQ2D 1947(CAFC 2003)). Note, the Appellant's Disclosure (Specification, page 18, lines 20-32) does not support as specific a definition of rate as put forth in the Appeal Brief.

As set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), in order to determine obviousness under 35 U.S.C. 103(a) the Examiner must:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. ***Resolving the level of ordinary skill in the pertinent art.***
4. Considering objective evidence present in the application indicating

One of ordinary skill in managing commercial or industrial kitchens (Koether '430, abstract) has knowledge of procuring, operating and maintaining the appliances necessary to run such a facility (*In re Delisle*, 160USPQ 806 (CCPA 1969)). Leasing is one such method, while buying and renting are others. Therefore, to one of ordinary skill who provides restaurants, industrial kitchens and the like, articles for lease or rent, it

would have been obvious to look at the patent of Albertshofer for a teaching of how to accurately monitor the use of a rented or leased item, such as vehicles, machines and equipment of all kinds ('081, column 5, lines 22-26).

Groups B and C

The Appellant is of the opinion that the prior art does not teach "maintenance information affecting said lease rate" or "an asset owner establishing said lease rate and analyzing said maintenance information as a factor in setting said lease rate". The term "maintenance information" is broad. Hence, "usage" according to Albershofer sufficiently reads on the term as it refers "wear and tear" ('081, column 3, lines 1-6; column 5, lines 15-19), "capacity and scope of usage of operating parameters" ('081, column 5, lines 10-15), displayed "usage, accounting, or other operating or accounting parameters" which are all, at least, maintenance "related" information. Recall, it has been held that seeking out relevant dictionary definitions is valid in order to properly interpret a disputed claim term (E-Pass Technologies Inc. v. 3Com Corp., 67 USPQ2D 1947(CAFC 2003)). Webster's Ninth New Collegiate Dictionary defines a "rate" as "a quantity, amount or degree of something measured per unit of something else". Therefore, the disputed limitation is clearly taught by Albertshofer as the '081 patent specifically teaches a system for enabling the *prices for loan, leasing, and renting [an] equipment item to be calculated* more precisely based on the *usage of said equipment* ('081, column 6, lines 23-28).

Groups D, E, F, G, H, I, J, K

The Appellant is of the opinion that the prior art does not teach "adjusting said lease rate based on a determination of asset maintenance timeliness". In this instance, the Appellant is grossly underestimating the capacity of one of ordinary skill. Obviously, the Appellant is unfamiliar with "customer or courteous service", or passing on savings to a customer for an incurred inconvenience, savings such as charging at a lower rate. The rejection is for *obviousness* of what is claimed, which involves consideration of the ordinary skill of the art and the Appellant's analysis operates counter to such a consideration as it assumes that one of ordinary skill of providing rented or leased items, such as vehicles, machines and equipment of all kinds ('081, column 5, lines 22-26) would not appreciate the benefits of customer service (*In re Sovish*, 769 F.2d 738, 743, 226 USPQ 771, 774 (Fed. Cir. 1985)).

Regarding claim 21, the Applicant is of the opinion that the prior art does not teach "said lease rate is lower if timely maintenance is performed and said lease rate is higher if said maintenance is untimely". The Specification however, merely recites "payments/rewards based on incentive issues such as asset re-allocation or timely-maintenance" (Specification, page 18, lines 25-32). Therefore, in light of the Appellant's Disclosure the Examiner's "customer service" rationale continues to apply. In general, claims 2-6, 15-17, 19, 21, 22 and 24 do not contain allowable subject matter. The concept of leasing and the system of Albertshofer teach deriving a price or lease rate from some underlying value. Similarly, the notion of "adjusting rates" is at least as

old as the establishment of the Federal Reserve System by the Federal Reserve Act of 1913. In the Final Office Action, reproduced above, in the "Response to Amendments" section, the Examiner stated Webster's Ninth Collegiate Dictionary defines a surcharge as an "overcharge", "extra fee", "an additional tax, cost or impost", hence to apply a surcharge is at least an obvious method of increasing revenues on the part of the party applying the surcharge. Webster's Ninth Collegiate Dictionary also defines a "rate" as "a quantity, amount, or degree of something measured per unit of something else" or "an amount of payment or charge based on another amount"(Final Office Action, reproduced above) Therefore, the subject matter of claims 2-6, 15-17, 19, 21, 22 and 24 are at least obvious in view of the prior art. More specifically, if a patent was granted on any claim from these groups, it would then suggest that patents can be granted on rates adjusted because of weather, time of day, or at the whim of a manager. Clearly, none of these ideas represent concepts that are inventive, novel, and/or non-obvious.

Regarding conditional language, MPEP Chapter 2106, II, C, states:

As a general matter, the grammar and intended meaning of terms used in a claim will dictate whether the language limits the claim scope. *Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation.*

The MPEP, for example, cautions against the use of "wherein" clauses (see for example claim 21). Claims 2-4, 15-17, 19, 21 and 22 recite language that "suggests or makes optional" as they contain conditional language. The "if" being triggered by a particular condition. According to the rules of logic and mathematical logic, conditional language is

not the same as non-conditional language. The following statements are not equivalent, "performing timely maintenance and lowering said lease rate based on said untimely performance" and "wherein said lease rate is lower if timely maintenance is performed". Inherent to conditional language is the alternative case where the trigger condition doesn't hold. Therefore, it is right and proper under the rules of logic to consider such an alternative case.

To counter the Examiner's rationale, the Appellant cites Altris Inc. v. Symantec Corp., 318 F.3d, 1363, 1370, 65 USPQ2D 1865, 1870 (Fed. Cir. 2003). However, the issues of this case are directed to how much weight should be given to a preamble and how to correctly construe the order or sequence of claim limitations (Note, the use of Dictionary definitions by the court). Further, the citation is not applicable as the Appellant's claims are void of any "testing".

As per claims 5 and 6, Albertshofer teach using a plurality of characteristics to determine a lease rate. For example, Albershofer teaches deriving a lease rate from usage, wear and tear, capacity and scope of usage, operating parameters, time, and distance traveled (column 1, lines 55-62; column 2, lines 37-44; column 3, lines 31-39).

Group L

Initially, the Examiner would like to apologize for the typo, and yes the Examiner intended to include claim 20 with the rejection to claim 8, as the claim language is the same.

The Appellant is of the opinion that the prior art does not teach or suggest "an asset owner analyzing maintenance information for a plurality of assets associated with at least one of said asset supplier and said maintenance organization to evaluate its relationship based on overall maintenance performance." However, this is non-functional descriptive material. The MPEP (chapter 2106, section IV) clearly states,

nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. Cf. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability).

As an example, the MPEP (chapter 2106, section IV) recites,

a computer that differs from the prior art solely with respect to nonfunctional descriptive material that cannot alter how the machine functions (i.e., the descriptive material does not reconfigure the computer)

Koether teaches a local controller for acquiring operating characteristic data (maintenance information) ('430, figures 1 and 2), an analysis controller analyzing said acquired data ('430, figures 1-3 and 7A-C; column 9, lines 6-60) and an electronic communication network linking said controllers (figures 1-3). Buying, renting and leasing are all well-known payment methods for obtaining equipment items. Albertshofer teaches a specific method and system for setting a lease rate for leased equipment items such as vehicles, machines and equipment of all kinds ('081, column 5, lines 21-26; column 6, lines 23-28). Albershofer teaches monitoring equipment item capacity and usage parameters such as "wear and tear" or maintenance data (column 3, lines 1-6 and 31-47; column 4, lines 13-23, 37-44, and 50-67; column 5, lines 10-26; column/line

5/53-6/33; column/line 6/62-7/6). Claim 1 (and 18) is a system claim. Claim 8 (and 20) are dedicated to the activities of “people” who are not part of the system structure. Hence, they do cannot alter how the machine or system functions (MPEP, chapter 2106, section IV) claim 8 (and 20) recite non-functional limitations and therefore, the prior art of Koether and Albertshofer are sufficient to read on claim 20. Koether recites maintenance personnel ('430, figure 1) sent to a site for repair or preventative maintenance ('430, column 9, lines 44-67). Koether teaches monitoring and storing usage data, analyzing said data and allowing maintenance personnel to access both the data and the analysis when servicing a site ('430, column 9, lines 5-67; column 11, lines 15-67). The claim merely recites “evaluat[ing] its relationship” and does not elaborate how this evaluation is performed and with whom the first party is in a relationship (the leasee, renter, buyer, maintenance personnel, manufacturer, etc.) . Therefore, as the control center (first party) and the maintenance person (second party) work together to update credits, warranties, returns and rebates for said subscriber, it at least being obvious that said credits, warranties, returns, and rebates are related to maintenance performance, Koether teaches “an asset owner analyzing maintenance information for a plurality of assets associated with at least one of said asset supplier and said maintenance organization to evaluate its relationship based on overall maintenance performance.” Again the claims 8 (and 20) are obvious over Koether in view of Albertshofer. Nguyen et al. teach a system for determining which actions performed by maintenance personnel are covered by a warranty ('808, abstract; column 4, lines 32-

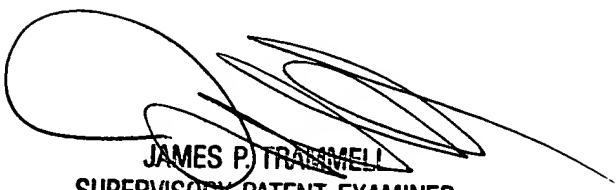
67). Hence, Koether and Albertshofer in view of Nguyen et al. recite evaluating the relationship between a first party (asset owner) and second party (supplier or maintenance) ('808, abstract; column 5, lines 1-16) based on maintenance performance, wherein the "evaluating" is determining what is covered under warranty and what is not ('808, abstract; column 4, lines 32-67; column 5, lines 1-16).

(12) Conclusion

Appellant's arguments are not persuasive in that they fail to consider the breadth of the claim language, the level and knowledge of those of ordinary skill and what in view of said level and knowledge, would have been rendered obvious in view of the teachings of the combined prior art.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,



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¹ See 37 CFR 1.111(b). See also *Chevenard*, 139 F.2d at 713, 60 USPQ at 241 (“[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention.”).